

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner
Norma McKanna	Commissioner

In the Matter of a Petition for
Extended Area Service From the
Bena Exchange to the Cass Lake
and Bemidji Exchanges

ISSUE DATE: December 14, 1992
DOCKET NO. P-501, 421/CP-90-357
ORDER RESETTING RATES

PROCEDURAL HISTORY

On September 28, 1992, the Commission issued its ORDER ADOPTING RATES FOR POLLING. The Commission adopted extended area service (EAS) monthly rate additives for seasonal customers that were one-half the rate additive adopted for regular customers.

On October 20, 1992, Arrowhead Communications Corporation (Arrowhead) filed a request for clarification.

On December 8, 1992, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

Arrowhead did not dispute the extended area service (EAS) monthly rate additive established by the Commission for Bena's regular customers (\$12.11) but requested that its seasonal customers be required to pay that same monthly additive. Arrowhead explained that under its current tariff, it bills its regular and seasonal customers at the same monthly rate: \$8.50. Seasonal customers, however, are billed for a minimum six month period (\$8.50 per month for six consecutive months) for a total of \$51.00, even if the customer uses the service for less than the entire six month period. Arrowhead's tariffed seasonal rate, \$51.00 (\$8.50/month x 6 months) is exactly half the total amount that it charges regular customers over an annual 12 month period (\$102.00 = \$8.50/month x 12 months). Seasonal customers may receive service beyond the six month minimum on a monthly basis at the monthly rate: \$8.50/ month.

Arrowhead would like to maintain that same approach in its EAS rates, to charge seasonal customers one-half of the amount it

would charge regular 12-month customers for EAS over a 12-month period. For service beyond the six month minimum period, of course, seasonal customers continue to be charged the same amount per month for EAS as regular customers but, like regular customers, would be billed for that service on a monthly basis.

The Company argued that maintaining this customary approach in setting EAS rates would avoid confusion among its seasonal customers. The Commission finds that this approach is reasonable and will approve it.

Arrowhead further requested that the Commission postpone EAS balloting in the Bena exchange until the summer months when seasonal customers will be available to participate. The Company noted that a substantial percentage, 62 of its total 185 customers (33.5 percent) are seasonal.

In these circumstances, it appears that the timing of the balloting may have a substantial impact upon the value of the exercise. The Commission will take this factor into consideration when scheduling the polling of Bena subscribers.

ORDER

1. The extended area service (EAS) rates adopted in the Commission's September 28, 1992 Order in this matter are changed as described in this Order. The EAS rate additives for the Bena exchange are as follows:

<u>Class of Service</u>	<u>EAS Rate Additive</u>	<u>EAS Rate</u>
Residential		
Regular	\$12.11/mo.	\$20.61/mo.
Seasonal	\$12.11/mo.	\$20.61/mo.
	\$72.66/6 mo.	\$129.66/6 mo.
Business		
Regular	\$15.73/mo.	\$26.73
Seasonal	\$15.73/mo.	\$26.73
	\$94.38/6 mo.	\$160.38/6 mo.

2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)